TO:

BOARD OF SUPERVISORS

ROM:

INTERNAL OPERATIONS COMMITTEE

DATE:

FEBRUARY 6, 2006

SUBJECT:

INTERNET-BASED AUTOMATION OF COUNTY OUTREACH PROGRAM

SPECIFIC REQUEST(S) OR RECOMMENDATION(S) & BACKGROUND AND JUSTIFICATION

# **D.**4

Contra

Costa

County

#### RECOMMENDATIONS:

- APPROVE and DIRECT the General Services Director, under the oversight of the County
   Administrator's Office, to implement e-Outreach for the purchase of commodities and routine services
   (as defined by the Purchasing Agent) over \$10,000.
- APPROVE and AUTHORIZE the General Services Director, or designee, to execute a service
  agreement with RFP Depot to provide an Internet-based platform to implement the e-Outreach
  process.
- 3. DIRECT that transactions identified by departments as Small Business Enterprise (SBE) Program transactions shall be advertised by General Services Department (GSD) Purchasing as available only for County-certified SBEs.
- 4. DIRECT that County departments may conduct outreach on individual purchasing transactions of \$10,000 or less using the *e-Outreach* process or independently, at their own discretion.
- 5. ADOPT revisions to the Purchasing Outreach Program in Attachment 2.

CONTINUED ON ATTACHMENT: YES	SIGNATURE: The Gula
VOTE OF SUPERVISORS TAUVOLD	MARK DESAULNIER  AS RECOMMENDED OTHER  CORPETED ATTACHTES THEREBY CERTIFY THAT THIS IS A TRUE  AND CORRECT COPY OF AN ACTION TAKEN  AND ENTERED ON THE MINUTES OF THE
AYES: NOES: ABSTAIN:	BOARD OF SUPERVISORS ON THE DATE SHOWN.
•	ATTESTED: FEBRUARY 28, 2006
CONTACT: JULIE ENEA (925) 335-1077	JOHN SWEETEN, CLERK OF THE BOARD OF SUPERVISORS AND COUNTY ADMINISTRATOR
CC: INTERNAL OPERATIONS COMMITTEE STAFF COUNTY ADMINISTRATOR GENERAL SERVICES DIRECTOR	BY Les D'Les, DEPUTY

- 6. DIRECT GSD Purchasing to send notification letters to all vendors in its vendor database and in the County's SBE and Outreach vendor databases to inform them that bids for purchasing transactions will be conducted through the e-Outreach process, and to provide information to enable vendors to register with RFP Depot.
- DIRECT the County Administrator's Office and General Services Department to coordinate and conduct informational workshops and training to explain the e-Outreach process to County departmental staff and interested vendors.
- 8. DIRECT the County Administrator's Office and General Services Department to report to the Internal Operations Committee in six months on the status of the program.

### FISCAL IMPACT:

No additional County cost is anticipated. Cost savings through procedural efficiencies and through increased competition is anticipated. For further explanation, reference the following section entitled, "e-Outreach Cost".

#### BACKGROUND:

For several years, the County Administrator's Office has been attempting to develop an automated system to advertise County business opportunities to the broadest group of vendors possible, and to standardize and automate performance reporting under the Small Business Enterprise and Outreach Programs. Several factors hindered efforts to complete such a system — primarily limited staff resources; the scheduled implementation of other, high-priority Countywide systems; and the availability of affordable technology to accomplish the task. Efforts continued, nevertheless, and the General Services Department, under direction from the County Administrator's Office, recently presented our Committee with an online demonstration of an internet-based outreach and electronic bidding process entitled "e-Outreach," which is expected to meet and possibly exceed our goals for streamlining and improving the County's Outreach Program.

The General Services Department Purchasing Division (GSD Purchasing) evaluated several online bid listing services to determine the feasibility of securing an internet-based system to support the objectives and improve the effectiveness of the County's Purchasing Outreach Program. As a result of that evaluation, GSD Purchasing determined that the e-Outreach program, hosted by RFP Depot, best meets the County's needs, goals, and objectives:

- Enhance countywide department advertisement to a larger representative group (including MBEs, WBEs, SBEs, OBEs, LBEs, and DVBEs) to inform businesses about contracting opportunities with Contra Costa County.
- Provide a standard procedure with a single point of access to allow businesses to take advantage of County contracting opportunities.

- Implement an improved purchasing outreach process that compliments existing purchasing policies and procedures, is cost effective, and supports County departments.
- ♦ Establish a uniform and centralized procedure to review, report, evaluate, and monitor the efforts of County departments to advertise and award contracts for commodities that is easy to prepare, simple to understand, and eliminates labor intensive efforts by departments to produce current Purchasing Outreach Program reports.
- Achieve cost savings and higher quality goods and services through advertising to a broader vendor pool and increasing competition.
- Enhance contracting opportunities by providing Contra Costa County businesses with access to Bay Area, California, and nationwide business opportunities.

GSD Purchasing has been piloting the program for several months for purchases it makes on behalf of County departments. Based on this successful pilot and based on an online presentation facilitated by RFP Depot at our Committee's regular meeting on February 6, 2006, we are recommending that the Board extend the *e-Outreach* service to all County purchases covered under the Outreach Program.

We understand that the County Counsel's Office has been consulted and has no legal concerns with the implementation of e-Outreach, as proposed.

We understand that prior to making this recommendation to the Board of Supervisors, the General Services Department will present the *e-Outreach* proposal to County department heads and to the Advisory Council on Equal Employment Opportunity to provide an opportunity for questions and comments, and to receive feedback that might affect the implementation of the program.

## What is e-Outreach?

E-Outreach can provide internet-based notification of County business opportunities to potential vendors for the purchase of commodities, and a single registration point of access for businesses. E-Outreach can also provide a uniform, centralized, and efficient procedure for County departments to outreach to businesses and report information related to these outreach efforts. E-Outreach can automatically document purchasing transactions and produce reports required under the County's Outreach Program.

Centralized online business registration and outreach can enable the County to focus the business community on one convenient location for County business opportunity information. The County, through marketing and educational activities, can create a business opportunity identity that can be readily and conveniently accessed by the larger business community.

### Who is RFP Depot?

The RFP Depot website, which would host e-Outreach, serves as a central point for public agencies from across the United States to list business opportunities. The website is built on a database comprising over

200,000 national vendors. The database includes the GSD Purchasing vendor directory and the County's SBE and Outreach vendor directories.

Once registered with RFP Depot, vendors receive access to their own online vendor record and may select one or more National Institute of Governmental Purchasing (NIGP) commodity codes to identify the goods and/or services they supply.

Whenever a bid opportunity for a particular NIGP code from any public agency is placed on the RFP Depot site, all of the vendors registered for that NIGP commodity will be notified via email or facsimile of the bid opportunity. RFP Depot also supports vendors by providing training on how to use the website to respond to solicitations. Vendors may also receive assistance from RFP Depot through toll-free telephone support.

# e-Outreach Transaction Process

The e-Outreach process would require County departments to select a departmental representative responsible for assigning purchasing responsibilities and authority/security levels to selected department personnel. GSD Purchasing will provide County departments access to the RFP Depot website in accordance with authorized assignments.

As proposed, for purchasing transactions of \$10,000 or more, departments would submit a requisition to GSD Purchasing to list the bid using e-Outreach. Access outside of GSD Purchasing would be limited to listing bid opportunities directly on the RFP Depot website within pre-defined criteria such as requests for proposals or qualifications within the purchasing thresholds.

Depending upon the transaction type and dollar value, GSD Purchasing or departments will evaluate the bids, select a winning bid, and complete the requisition approval process and forward it to GSD Purchasing. Upon receipt of the approved requisition, GSD Purchasing will issue a Purchase Order to the selected vendor.

## e-Outreach Reporting

*E-Outreach* process can provide all reporting required under the current Purchasing Outreach Program for purchasing transactions over \$10,000 and the Small Business Enterprise (SBE) Program for transactions under \$50,000. GSD Purchasing would prepare SBE reports under \$10,000 for all departments. Manual tracking and compilation by departments would no longer be necessary for purchasing transactions.

#### e-Outreach Cost

RFP Depot Service Fee. Vendors can register, view, download documents, and respond to bid advertisements through RFP Depot at no cost and the County can post its business opportunities at no cost. Bid opportunities are sent to registered vendors automatically via email or Fax.

RFP Depot charges a service fee (typically 1%-2%) to vendors upon award of a contract, which is defined

in the terms and conditions of the bid. Since all vendors registered with RFP Depot agree to the service fee as a condition of submitting a bid, the service fee has no adverse impact on the fairness of the competitive bid process.

County Department Cost Savings and Increased Productivity. It is anticipated that County departments will realize cost savings and operational efficiencies as a result of the e-Outreach process. Cost savings are expected as a result of increased competition. Operational efficiencies are expected as a result of the centralized and automated reporting capabilities of the e-Outreach process, which can replace departmental reporting under the current SBE and Purchasing Outreach programs.

# e-Outreach Implementation Plan

At the outset, we are recommending that e-Outreach be limited to the purchase of commodities and simple purchasing services such as equipment maintenance and building-related services. As County departments gain proficiency with e-Outreach, it may be worthwhile to further evaluate whether or not e-Outreach would be appropriate for other County contracting opportunities such as construction and professional/personal services contracts. For this reason, we are also recommending that staff report back to the Internal Operations Committee six months from implementation on the progress of the program.

We are also recommending that e-Outreach through GSD Purchasing be made applicable to all purchasing contracts over \$10,000, consistent with the County Outreach Program purchasing threshold. Contracts designated as SBE contracts by departments with Purchasing Source Discretion will be advertised as available only for Contra Costa County certified SBEs. Departments may process individual purchasing transactions of \$10,000 or less through RFP Depot or independently.

#### Attachments:

e-Outreach Frequently Asked Questions Attachment 1.

Proposed Revisions to the Purchasing Outreach Program Attachment 2.

Comparison of e-Outreach, Outreach, and SBE Program Attachment 3.

## e-Outreach

# FREQUENTLY ASKED QUESTIONS

## 1. What is e-Outreach?

E-Outreach is an Internet-based solicitation process that automatically notifies interested vendors and service providers of County business opportunities.

2. How will e-Outreach benefit vendors interested in doing business with the County?

An automated process with a single point of access will be established to inform vendors of opportunities to do business with the County and Contra Costa County Small Business Enterprises will be provided access to nationwide business opportunities.

3. What is RFP Depot?

RFP Depot is an Internet-based platform providing nationwide notification of business opportunities with public entities. Over 200,000 vendors are currently listed in RFP Depot's database.

4. Will Local, Disabled Veterans, and Small Business Enterprise businesses located in Contra Costa County be registered with RFP Depot?

All vendors currently registered with the General Services Department Purchasing Division and the Affirmative Action Office have been added to the RFP Depot database.

5. What other public agencies in California use the RFP Depot platform?

Santa Clara County, Cal State Hayward, and Riverside County.

6. How does e-Outreach work for vendors interested in doing business with the County?

Businesses must register with RFP Depot (directly or through GSD Purchasing). Registered vendors receive access to an online vendor record and are assigned one or more National Institute of Governmental Purchasing (NIGP) commodity codes. Whenever a bid opportunity for an NIGP code is placed on the RFP Depot site, all vendors registered for that commodity will be notified via email or facsimile.

7. What is the dollar threshold for e-Outreach business solicitations?

All purchasing transactions of \$10,000 or more will be listed on RFP Depot by GSD Purchasing. For purchasing transactions under \$10,000, departments may use the e-Outreach process on a discretionary basis.

8. How will e-Outreach impact the County's Small Business Enterprise Program?

Departments will still be required to meet the SBE Program requirements for purchasing transactions under \$50,000. It is anticipated that *e-Outreach* will enhance the SBE Program by providing better SBE information to departments and provide Contra Costa businesses with access to nationwide business opportunities.

9. How will the County ensure that the objectives of the Outreach and SBE programs are being met?

RFP Depot can generate activity and compliance reports to ensure that the goals of both programs are being met.

10. How will departments submit quarterly purchasing reports for purchases advertised through RFP Depot?

Departments will not be required to submit outreach reports for purchasing. GSD Purchasing will generate all SBE and Outreach Program compliance reports for purchasing, eliminating the time consuming and labor-intensive burden on departments.

11. What impact will e-Outreach have on the Local (5%) Vendor Preference Program?

*E-Outreach* will not impact the Local (5%) Vendor Preference Program, which focuses on award of purchasing contracts that exceed \$25,000.

12. Can businesses view or register for opportunities using e-Outreach without cost?

Yes. Vendors and the public can view opportunities without cost and register for opportunities on the RFP Depot website free of charge.

13. Is there a cost to submit bids through RFP Depot?

There is a 1% service fee to vendors upon award of a contract, which is defined in the terms and conditions of the bid.

14. Will training be offered to department staff and vendors?

GSD Purchasing will offer vendors and County departmental staff a series of informational workshops and training to explain the *e-Outreach* process. RFP Depot also supports vendors by providing training on how to use the website to respond to solicitations. Vendors may also receive assistance from RFP Depot through toll-free telephone support.

15. Where can I see an example of a California County currently using RFP Depot?

Santa Clara County uses the RFP Depot platform, which can be viewed at: <a href="http://www.sccgov.org/portal/site/scc/menuitem.a15358158602f81e3e23ad6735cda429">http://www.sccgov.org/portal/site/scc/menuitem.a15358158602f81e3e23ad6735cda429</a>

D. 4 Correction

### ATTACHMENT 2

# Contra Costa County Purchasing Outreach Program (eOutreach)\* Revised February 28, 2006

This program applies to all purchasing contracts for goods or supplies, including purchase orders and installment or term contracts. Purchasing contracts include all procurement that the County Purchasing Agent (or other department or special district with direct contracting authority) is authorized to make.

This program shall apply to all purchasing contracts that exceed \$10,000. The following are exempt from this program: sole source purchasing contracts, as determined by the Purchasing Agent and reviewed by the Contract Compliance Officer and the County Administrator; special counsel contracts authorized by the County Counsel's Office; emergencies, as defined in Ordinance Code Section 1108-2.206(c); and unique circumstances where the County Administrator determines that an exception is necessary.

#### Outreach

- A. All purchasing contracts over \$10,000 will be advertised on the County's designated electronic bidding (e-Bid) system. Purchasing contracts designated as SBE contracts by departments with Purchasing Source Discretion will be advertised on the County's eBid system as available only for Contra Costa County certified SBEs.
- B. All individuals (Purchasing Agent, departments, and special districts) involved in purchasing contracts will use their best efforts to solicit a broad range of potential vendors including WBEs, MBEs, SBEs, LBEs, DVBEs, and OBEs. All vendors interested in bidding on a purchasing contract with Contra Costa County will be referred to the County's e-Bid system.
- C. The Purchasing Agent will work with the County's e-Bid provider to ensure the accuracy and completeness of the e-Bid provider's vendor database. The Purchasing Agent will verify that the County's e-Bid system database contains a broad range of potential vendors, including WBEs, MBEs, SBEs, LBEs, DVBEs, and OBEs, and that the database is current and updated regularly.

<sup>\*</sup> This revised purchasing outreach program replaces the purchasing outreach program previously adopted by the County on August 11, 1998.

# ATTACHMENT 3

# COMPARISON OF REVISED PURCHASING OUTREACH, OUTREACH, AND SBE PROGRAMS

	Revised Outreach	Outreach Program	SBE Program
Covered Transactions Goals	departments post bids on a-Bid System to businesses including MBEs WBEs, SBEs, LBEs, DVBEs, and OBEs \$10,000 and over Advertise bids to businesses on the e-Bid system. Set aside 50% of all contracts under \$50,000 to SBEs  Purchasing Manager and departments continue to outreach to a broad range of vendors (MBEs, WBEs, SBE, LBEs, OBEs, and DVBEs) and refer them to the	and departments Outreach (solicitation) to businesses including MBEs, WBEs, SBEs, LBEs, and DVBEs \$10,000 and over Outreach by Purchasing Manager and departments to businesses with 50% to MBEs, WBEs, SBEs, LBEs, and DVBEs. Outreach by Purchasing Manager	Set aside 50% of all contracts under \$50,000 to SBEs  \$1 to \$50,000  Set aside 50% of all contracts under \$50,000 to SBEs  Outreach by Purchasing Manager or departments with PSD* to SBE vendors to meet program goals
Reporting	e-Bid system Purchasing Manager submits quarterly Outreach and SBE report for purchasing transactions under \$10,000	Purchasing Manager and Departments or special districts submit quarterly reports	Departments submit quarterly SBE reports

<sup>\*</sup> PSD (Purchasing Source Discretion) are transactions where a department has sole discretion to determine the source of goods or services without limitation to those vendors or contractors approved by the Purchasing Agent and where the Purchasing Agent processes the transaction without exercising any discretion.